

A Transformative Partnership to Conserve Water

Annual Review 2009



The Coca-Cola Company



“Our partnership with The Coca-Cola Company started with a vision to conserve the planet’s freshwater resources – an ambitious goal that neither one of us could accomplish alone. It has been, and continues to be, an amazing journey.”

**– Suzanne Apple,
Vice President, Business and Industry, WWF-US**

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To protect the world’s natural resources, we need to take collective action. When it comes to big issues such as safeguarding our global water supply, no individual sector – government, NGO or business – can make as big a difference alone as we can make by working together.

Addressing global water challenges is of critical importance to both World Wildlife Fund (WWF) and The Coca-Cola Company. For this reason, we have embarked on a transformative partnership to conserve freshwater resources around the world. Our work together focuses on five goals:

1. Conserve seven of the world’s most important freshwater basins
2. Improve water efficiency within the company’s operations
3. Reduce the company’s carbon emissions
4. Promote sustainable agriculture
5. Inspire a global movement to conserve water

In 2009, our partnership achieved significant progress and notable successes in each of these areas. This report summarizes our accomplishments over the last year, outlined by goal.

2009 Progress

Goal 1: Conserve seven of the world’s most important freshwater basins



Nature, communities and businesses all rely on freshwater for their survival, so it is critical that we protect our freshwater basins. To help do so, WWF and The Coca-Cola Company are working together to restore and conserve seven of the world’s most vitally important freshwater basins: the Yangtze, Mekong, Danube, and Rio Grande/Rio Bravo rivers; Lake Niassa; the Mesoamerican Reef catchments; and the rivers and streams of the southeastern United States.

In 2009, our partnership team worked within these regions to address some of the greatest challenges to conservation, including working for better governance and management, protecting resources, conserving biodiversity, and creating a balance between conservation and development needs. The following section provides more detail about our specific 2009 accomplishments in each of the seven freshwater basin projects.



Yangtze – The Yangtze River basin is the lifeblood of China, providing water to more than 400 million people. In 2009, the partnership made significant progress toward the protection of this valuable river basin by galvanizing local communities to actively participate in river basin conservation.

Our project work with the Yuantian community, located along the Minjiang River in the upper reaches of the Yangtze, was one example of a powerful community-based effort. The WWF and Coca-Cola team created an environmental education center in this region to raise community awareness and understanding about the benefits of source water protection and responsible agriculture. By providing this information to the community, we were able to garner the public support needed to restore 547 yards of the original river course on which Yuantian village residents rely for drinking water and irrigation.

Another example of effective community engagement in this region was the 2009 Wetland Ambassador Action program. In this program sponsored by the WWF and Coca-Cola team, more than 700 students participated in efforts to conserve wetlands and raise awareness of freshwater conservation in China. As a result of the students' enthusiastic effort, over 105,000 people across China received information about wetlands and the importance of conserving them. The project attracted significant national media attention, including coverage by more than 20 television stations, 10 radio stations and 60 newspapers. This widespread coverage allowed us to reach millions of citizens, raising the profile of freshwater conservation throughout China.



Mekong – The Mekong River in Southeast Asia is the freshwater source for 60 million people. It also is home to more fish species than any other river except the Amazon. In 2009, the partnership team focused on reviving the Mekong basin in several ways. First, we worked to replenish the forests along the Chi River, an important sub-catchment of the Mekong in Thailand. The team planted a total of 47,750 seedlings, constructed eight nurseries in eight villages along the river, and trained local villagers in nursery seedling management.

Seeing the results of the project from the first year, the local administrations in 42 other villages in Khon Kaen Province, Thailand, have decided to adopt the same approach to watershed management in their villages. These improved forest areas will ultimately help to better control the rate of soil erosion into the Mekong as well as naturally filter water, improving its quality.

Additionally, in Tram Chim National Park in Vietnam we advocated for wetland policy reform and helped to pass a new park management statute. This statute – the first of its kind – will significantly change how wetlands in Vietnam can be managed by allowing parks to adopt ecosystem-based wetland management practices. The statute has already been approved and set in place locally at Tram Chim, which is serving as a best-practice example. The statute is expected to receive permanent ratification by the provincial government by 2011.

As a direct result of the statute and our wetland habitat restoration efforts in Tram Chim, bird numbers there increased dramatically in 2009. One especially exciting development was that both the rare and critically endangered Bengal florican and the endangered, iconic Sarus crane were sighted in the park for the first time in nearly a decade.



Danube – Recognized as Europe's lifeline and the world's most international river basin, the Danube is shared by 19 countries. This year, the partnership worked to conserve and restore the Danube river basin in several ways.

First, we helped purchase and prepare for the restoration of Liberty Island, a side branch area of the Danube located in southern Hungary near the border with Croatia. We are working to revitalize the two-mile-long forested island and its surrounding waters by removing impediments to water flow, replanting native tree species to provide habitat for flora and fauna, and constructing trails and recreation areas for local residents and tourists. This work will create an undisturbed natural floodplain forest, secure safer drinking water resources for the nearby community, and enhance opportunities for eco-friendly tourism and recreation.

The partnership continues to support the sustainable implementation of EU environmental legislation, especially the Water Framework Directive. We are working to ensure that river management plans on a basin-wide and national scale include specific actions to support freshwater conservation goals in the area, and floodplain restoration in particular.



Rio Grande/Rio Bravo – The Rio Grande (known as the Rio Bravo in Mexico) is an iconic river of the American southwest and northern Mexico, and the freshwater source for 10 million people. In this region, the WWF and Coca-Cola team

is working to set up an integrated river basin management system to improve conditions at seven key sites along the river's 1,885 miles. The system is being designed to open up and protect river flow in order to conserve and restore the health of the river, benefiting both surrounding habitat and the communities that live nearby.

In 2009, WWF and Coca-Cola worked toward this goal through on-the-ground rehabilitation initiatives in both the U.S. and Mexico. The aim was to restore habitat that would improve water quality and flow, as well as control invasive plant species that could harm the river basin. Many of these projects involved direct community participation, allowing riverside citizens to see how the projects' results would directly benefit them.

For instance, the team trained residents of Mexico's Ejido Panalachi community to perform soil conservation and habitat restoration work, which improved forest conditions at the headwaters of the river's main tributary. The team also worked with citizens of Boquillas to remove two highly invasive species – salt cedar and giant cane – from sites along the river. If left unchecked, these invasives absorb large quantities of water from the river, reducing water flow and degrading native habitat and water quality.



Lake Niassa – Lake Niassa in Mozambique, near the East African coast, is one of the most unique – and as yet unspoiled – freshwater ecosystems on the planet. The region contains a distinctive assemblage of wildlife, particularly cichlid fish and waterbird species. Our goal in this area is to conserve the biological diversity of the lake through the establishment of a new protected area, the Lake Niassa Reserve.

As a result of our team’s outreach and education work with partners in the government of Mozambique, interest in establishing the reserve soared in 2009. This led to regional approval for the reserve, and a community request to increase the originally proposed length of the reserve by almost 25 miles. It is now the responsibility of Mozambique’s Council of Ministers to approve the final plan and declare the reserve, an action which is expected in 2010.

Through partnership funding, the WWF team also continued working in the reserve area in 2009 to train community members on how to conserve the lake’s resources and improve local livelihoods at the same time. To date, we have helped to establish 11 community fishing councils and we have trained 70 of the members in lake comanagement. The fishing councils control all fishing activities in the lake and supervise local rangers who enforce fishing laws, regulate fishing licenses and patrol the lake.

Significantly, two new fishing regulations established this year were created to safeguard breeding times and sites for two important species: lake salmon and tchambo. As a result, some communities are beginning to report higher levels of fish capture.



Mesoamerican Reef – The Mesoamerican Reef in Central America is the second longest barrier reef in the world; with its surrounding waters, it sustains more than 2 million people. WWF and Coca-Cola, with other partners, are working in the Polochic and Motagua rivers in Guatemala. Our project activities focus primarily on current unsustainable agricultural practices, complemented with an effort to stop the expansion of the agricultural frontier.

In a participatory integrated river basin management effort, we are working with community-based organizations in both regions to develop sustainable production methods for agricultural products. For instance, along the Polochic River in the Pueblo Viejo sub-basin, community-based organizations are producing new crops such as coffee, cardamom and honey using sustainable growing methods. The conservation-based agricultural approach has helped control erosion and runoff across thousands of acres, which protects the freshwater ecosystem. The new revenue stream has led to a 15 percent increase in family income for the more than 108 families involved.

Another community-based sustainable agriculture project supported by our partnership is occurring in the Motagua River region, where communities in the Teculután sub-basin are planting okra

and other crops using water-efficient drip irrigation methods. These methods significantly reduce the amount of water that would normally be used for irrigation. Like the Polochic effort, this project has benefited the area in a variety of ways. It has helped stem pollution and runoff and led to sales of over \$25,000 for the communities, created dozens of jobs, and prevented the expansion of the agricultural frontier in the middle-upper part of the basin.

Based on the successful results of these Guatemalan programs, we have now begun to expand this work into Honduras and El Salvador, with the expectation of similar success stories in the upcoming year.



Southeast U.S. Rivers and Streams – The rivers and streams of the Southeast United States are a globally significant center of freshwater biodiversity, but they face many challenges due to the impacts of urban growth. For this reason, much of WWF and Coca-Cola’s work in this basin focuses on the urbanized areas of the Tennessee, Cumberland and Mobile rivers, where we are developing management projects together with Coca-Cola bottlers and local states, universities and other stakeholders.

This year, for example, three of Coca-Cola’s largest bottlers built and installed nearly 1,000 rain barrels in the region to collect and store rainwater. These barrels were made from donated, recycled plastic beverage-syrup containers, and were distributed for use in home gardens, schools and outdoor environmental education facilities in the area. Collecting storm water in rain barrels will help stem the amount of runoff that occurs in urban areas and reduce harmful effects to the river basin such as downstream erosion, water quality degradation and flooding.

WWF and Coca-Cola have played a key role in highlighting the need to develop strategies to address storm water management in the region. Due to the success of the rain barrel program, additional storm water management projects are now under way, including the construction of “retention landscaping” such as rain gardens and bioswales, which are designed to capture and purify storm water runoff.

Goal 2: Improve water efficiency within the company’s operations



Water is the most important ingredient in The Coca-Cola Company’s beverages. Also within the Coca-Cola system, water is used for beverage manufacturing processes such as rinsing, cleaning, heating and cooling. Working with WWF, The Coca-Cola Company and its bottling partners

have a goal to improve water efficiency 20 percent by 2012.

To achieve this ambition, WWF and Coca-Cola developed an interactive water resource management toolkit for plant managers in 2007, educating them on our 2012 goal and how to reduce the water footprint of their direct operations. The toolkit enables plants to compare their water use with other plants and presents over 100 possible solutions to improve water use efficiency. In 2009, we analyzed the results by looking at all bottlers' water use ratios – that is, the number of liters of water used to make one liter of product.

The results showed that there was an overall improvement in water efficiency. In 2004, Coca-Cola's water use ratio had been 2.72 liters of water to 1 liter of product; in 2008, the ratio decreased to 2.43-to-1. The full data for 2009 will be collected and analyzed for a 2010 report. However, all early 2009 data analyzed to date indicates that the company is on target to meet its 20 percent reduction target ratio of 2.17-to-1 by 2012.

Goal 3: Reduce the company's carbon emissions



Climate change is one of the most significant threats to freshwater ecosystems and the species that rely on them – including humans. The damaging effects of climate change lead directly to reductions in our freshwater supply, leaving less water available for nature, industry, agriculture and communities. To help protect our climate – and by association, our water – WWF and Coca-Cola are focusing on direct and indirect emissions from energy consumption in the company's worldwide operations.

While the Coca-Cola system is not carbon intensive, the company wants to do its part to reduce its climate impacts. As part of the partnership, Coca-Cola is working with WWF's Climate Savers program on managing carbon emissions in one specific area of Coca-Cola's business: manufacturing. The company and its bottling partners are adopting innovative climate and energy solutions that can help us reach the goal of making a 5 percent emissions reduction in Coca-Cola's manufacturing operations within developed countries by 2015, and to stabilize carbon emissions in our manufacturing operations worldwide.

Based on our efforts in 2009, this work is already on its way toward meeting our goal in developed countries. In 2009, we analyzed the results of Coca-Cola's carbon-reduction efforts over the previous year, and found that in 2008, after following Climate Savers' suggested approaches, emissions levels in developed countries had decreased to 2.28 metric tons—a drop of 7.7 percent relative to 2004 emissions levels. With developed nations now on track toward our 2015 goal, we are focusing on broader outreach and support in developing countries, where emissions increased in 2008.

Goal 4: Promote sustainable agriculture



Agriculture uses approximately 70 percent of the world's water, so sustainable crop production is fundamental to protecting freshwater resources. Recognizing this important factor in water conservation, our partnership promotes sustainable agriculture in key areas of the supply chains of The Coca-Cola Company and its bottling partners.

In 2009, our work in this area focused on sugarcane, one of the world's thirstiest crops and an ingredient used in many Coca-Cola products. Through the Better Sugarcane Initiative, we are actively supporting the development of better management standards for sugarcane production, and have teamed up with sugarcane producers in Australia, Brazil, Honduras and South Africa to launch pilot projects demonstrating innovative growing and production methods that meet the initiative's standards and benefit both the producer and the environment.

These pilot projects have the power to produce significant results. In the Australian pilot project, for instance, participating farmers have cumulatively improved the quality of 6.3 billion gallons of water runoff and drainage by eliminating significant amounts of agricultural sediments, chemicals and pollutants. In just one year, the Australian program has eliminated 17 tons of particulate nitrogen, 8 tons of particulate phosphorous, 15 tons of dissolved inorganic nitrogen and 2.3 tons of filterable reactive phosphorus. They also reduced total pesticide loads by 295 pounds. By decreasing runoff of these sediments, chemicals and pollutants, this project is helping to improve water quality in the surrounding freshwater and marine ecosystems, including the Great Barrier Reef.

Goal 5: Inspire a global movement to conserve water



Through our partnership, we hope to raise the profile of freshwater conservation among industry, government, and civil society leaders in order to build a culture of awareness and action across the globe. We also are working together to better understand and communicate the impact climate change will have on water resources.

In 2009, the partnership met this goal in two ways. First, we took part in significant international public events to raise awareness and inspire action on water and climate issues. Second, we shared our partnership model as a method of inspiring others – both within our respective organizations as well as worldwide – to encourage partnership between the business and conservation communities. Following are highlights of our efforts in 2009 in both of these areas.

Raising global awareness

WWF and The Coca-Cola Company participated in a number of events in 2009 at which we shared partnership results and best practices; raised awareness about freshwater conservation and its direct connection to climate change; and met with leaders in industry, government, academia and civil society to advance action on these critical issues. The highlights included

World Water Week: World Water Week in Stockholm is the annual meeting place for discussion of the planet's most urgent water-related issues. Organized by the Stockholm International Water Institute, it brings together experts, practitioners, decision makers and leaders from around the globe to exchange ideas, foster new thinking and develop solutions. WWF launched the Water Roundtable at the 2009 event. The Roundtable will establish global standards for water stewardship, with the goal of addressing the global threat of water stress, the increasing pollution of rivers and a decline in freshwater wildlife species. At this event, WWF and The Coca-Cola Company joined together to highlight partnership work and stress the importance of freshwater conservation.

United Nations Climate Change Summit in Copenhagen: Nearly 200 countries met this year to negotiate a global treaty to address climate change. WWF and The Coca-Cola Company participated in a number of events in which we featured our partnership and other conservation work. Included in these events were the launch of a global awareness campaign called "Let the Clean Economy Begin," and a CEO roundtable, cohosted by The Coca-Cola Company Chairman and CEO Muhtar Kent and WWF President and CEO Carter Roberts. This roundtable brought together a number of North American business leaders to make a powerful statement about business and industry's collective support for a global climate treaty.

Earth Hour: The Coca-Cola Company headquarters and numerous bottling partners participated in WWF's annual event by turning off their lights and electrical appliances for one hour to raise awareness and encourage action on climate change. More than 52 countries across the Coca-Cola system participated in Earth Hour. The company engaged internal and external audiences in creative ways including Earth Hour-branded items, Web site postings, blog posts, e-mail footers, phone texts, press releases, press conferences, donated media, product donation, events and community outreach efforts. To further spread the event's message, iconic Coca-Cola signs in notable, high-traffic locations across the globe – such as Times Square in New York, Piccadilly Circus in London, San Pedro Sula in Honduras and Kings Cross in Sydney – displayed Earth Hour messaging before going dark.

Olympic Torch Relay: Based on consultations with WWF-Canada, The Coca-Cola Company sponsored the Environmental Torchbearer Program during the Olympic Torch Relay for the Vancouver 2010 Olympic Winter Games. This platform encouraged Canadians to pledge small lifestyle changes for the environment in exchange for the opportunity to carry the Olympic Flame.

Inspiring global collaboration

Beyond the seven basins on which the partnership is focused, our joint work also has inspired collaboration between WWF and Coca-Cola offices in countries around the world (see map). Some of our colleagues have already launched collaborative conservation initiatives, while others are just beginning to identify shared projects and priorities. Early highlights of this growing worldwide collaboration are described below, with more expected to follow in upcoming annual reviews.

Canada – Public Policy for Freshwater Conservation This collaborative project between WWF-Canada and Coca-Cola Canada is elevating the importance of freshwater conservation in the country by engaging key decision makers in a dialogue about a Canada-wide freshwater strategy. Key activities include focusing the national discourse on freshwater conservation toward an ecosystem-based approach, developing and advancing policy recommendations for integrated river basin management, and engaging with water experts and other stakeholders to build the support necessary to advance those recommendations.

Philippines – Water Management of Santa Rosa This project, sponsored by WWF-Philippines and The Coca-Cola Foundation, focuses on water conservation and watershed management in the Santa Rosa river basin, an area that benefits approximately 10 million people in the Laguna Lake basin. The partnership has begun a year-long planning process that will explore technical, institutional, political and socially equitable solutions at the watershed level. These solutions will then be integrated into local ordinances, plans and programs.

Turkey – Water to Bafa, Crops to the Aegean Turkey's Bafa Lake region is home to many species of birds and plants. It also attracts local and foreign tourists, which makes it an important means of livelihood for the local people. WWF-Turkey is working together with Coca-Cola Turkey to ensure the health of Bafa Lake while still maintaining agricultural activities in the region. The project is working to raise awareness among the 3,000 farmers in the area in order to promote and spread the use of drip irrigation. The aim is to install drip irrigation systems on nearly 89,000 acres of agricultural land surrounding the lake in the first two years of this five-year program. Installation of these systems would achieve a projected savings of approximately 60 million tons of water per year.

The WWF and Coca-Cola Freshwater Collaboration 2009



Countries in our initial collaborative partnership:

Bulgaria	Guatemala	Mexico	United States
China	Hungary	Romania	Vietnam
	Mozambique	Thailand	

Countries involved in active discussions and collaborations inspired by our initial partnership:

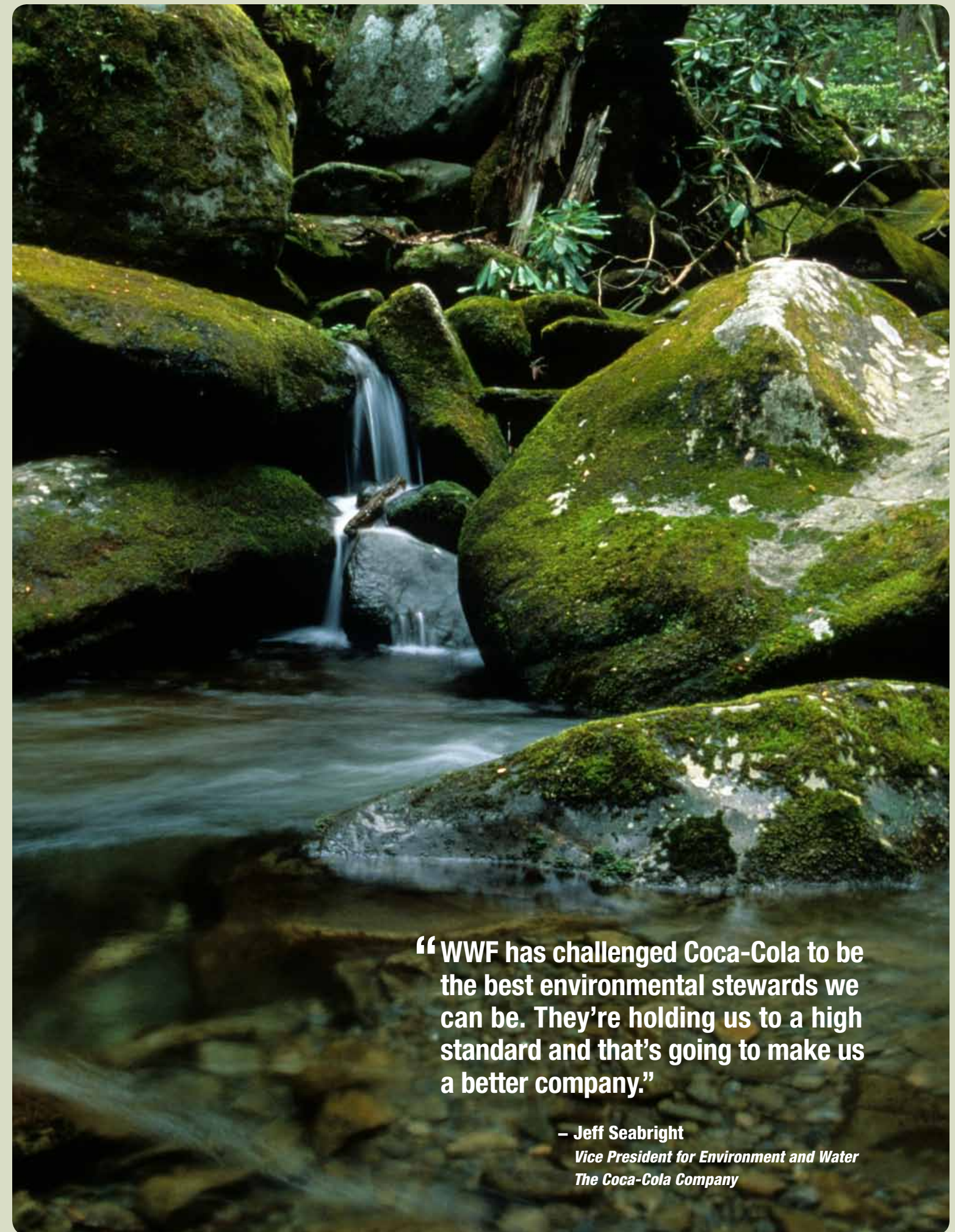
Argentina	Galápagos	Pakistan	Russia
Australia	Germany	Panama	South Africa
Brazil	Honduras	Paraguay	Spain
Canada	Indonesia	Philippines	Turkey
El Salvador	Kenya	Poland	United Kingdom
Finland	Malaysia	Portugal	

In Conclusion

WWF and The Coca-Cola Company worked together extensively throughout 2009 to make significant progress on all five of our partnership goals, and we have had many successful outcomes as a result. We will continue our collaboration in upcoming years and expect to see and report on even more successful conservation work in future annual reviews.

To follow our partnership work throughout the year, visit

worldwildlife.org/water/cocacola
wwf.thecoca-colacompany.com



“WWF has challenged Coca-Cola to be the best environmental stewards we can be. They’re holding us to a high standard and that’s going to make us a better company.”

– Jeff Seabright
Vice President for Environment and Water
The Coca-Cola Company

Water sustains us. Conservation unites us.

worldwildlife.org/water/cocacola
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